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Agricultural Marketing Service

Poultry Programs

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## WTO, China and Hong Kong

China's entry into the WTO may change Hong Kong's role as an intermediary center of trade and transshipment. A large portion of U.S. agricultural exports to Hong Kong is currently transshipped into Mainland China. In 1999 Hong Kong was the largest export market for U.S. poultry shippers.

### Hong Kong Re-Exports to China of Major U.S. Meat and Poultry (in US\$ million)

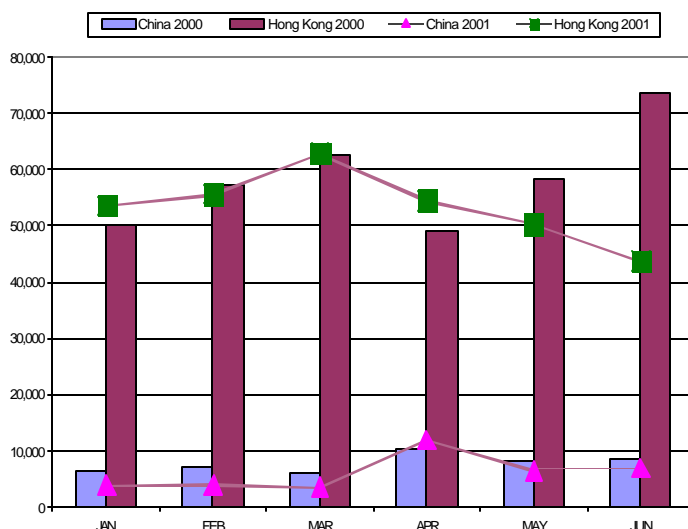
	Imports from U.S.	Re-Export to China	Percent Re-Exported	*2000-2004 Import Tariffs
Chicken	516	351	68	20 - 30%
Beef	51	3	6	45 - 12%
Pork	4	1	25	20 - 12%

\*In China following WTO accession.

While Hong Kong's share of China's imports may dwindle by half, the total volume is expected to expand significantly enough that Hong Kong's absolute volume of re-exports to China could remain near the current high levels for many years to come. Hong Kong will likely continue in its current financial role for at least five years after China's entry into the WTO for several reasons. It remains difficult for privately owned companies in the mainland to open letters of credit. Hong Kong companies have established financial reliability. Hong Kong has a "western-style" legal system with the rule of law and enforceable contracts. Finally, the Chinese Renminbi is still not convertible outside of China.

Source: USDA/Foreign Agricultural Service

### U.S. Poultry Meat Exports to China and Hong Kong January - June in metric tons



Source: Department of Commerce, U.S. Census Bureau

## Japan: Frozen Egg Imports (in tons)

Month	Whole Eggs	Frozen Yolks	Frozen Albumen	Total
2000				
January	184.8	1,552.3	526.0	2,263.1
February	184.9	388.0	426.0	998.9
March	211.3	530.4	373.3	1,115.0
April	171.3	1,552.8	166.2	1,890.3
May	232.8	1,432.3	211.3	1,876.4
2000 To-Date	985.1	5,455.8	1,702.8	8,143.7
2001				
January	296.4	842.8	304.8	1,444.0
February	153.4	756.6	421.4	1,331.4
March	172.9	1,265.8	178.8	1,617.5
April	172.4	1,078.6	204.6	1,455.6
May	175.6	1,123.3	209.2	1,508.1
2001 To-Date	970.7	5,067.1	1,318.8	7,356.6

Source: ALIC Monthly Statistics

## Hungary

Poultry production in Hungary increased about five percent in 2000. This trend continued into the first half of 2001 and total poultry sales were eight percent above the same period in 2000. Sales of duck more than doubled, turkey increased 20 percent, but chicken sales grew only 4.6 percent.

Strong exports, increasing domestic sales and reduced feed prices point to further growth in the poultry sector in 2001/2002. Germany and Austria are the biggest market with the EU. With 6,000 - 7,000 metric tons in annual purchases, the FSU countries buy less than five percent of Hungary's exports. According to the Hungarian Poultry Board, the July 2000 trade liberalization deal between Hungary and the EU may have positive results on Hungary's poultry exports. Hungary received a 102,000 Mt duty free quota from the EU and opened a 15,000 Mt import quota for poultry coming from the EU. The quota will automatically increase 10 percent next year. Much of the quota is reserved for whole chicken, which is not traditionally a competitive Hungarian export. In March 2001 the Hungarian Government increased export subsidies for poultry by HUF 10/kg (USD 1=HUF 280). The strong Hungarian currency is hurting the competitiveness and the industry is asking for yet more subsidies.

### Poultry Meat Exports and Imports in '000 metric tons

	2000	2001P	2002F
Imports	21,000	15,000	10,000
Exports	108,000	110,000	105,000

P-preliminary

F-forecast

Source: USDA/Foreign Agricultural Service

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**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

	Week Ending Aug 11, 2001		Year-To-Date	
	2001	2000 /1	2001	2000
Liquid	250	192	6,871	4,211
Frozen	0	0	78	126
Dried	0	0	40	340
Total	250	192	6,989	4,677

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

	Week Ending Aug 11, 2001		Year-To-Date	
	2001	2000 /1	2001	2000
Liquid	121	108	3,313	3,756
Frozen	3	31	814	508
Dried	50	11	375	654
Total	174	150	4,502	4,918

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

	Week Ending Aug 11, 2001		Year-To-Date	
	2001	2000 /1	2001	2000
Jumbo	0	80	87	1,181
Extra Large	1,900	1,880	34,117	30,934
Large	2,428	3,190	75,994	89,137
Medium	1,830	1,050	30,478	22,434
Ungraded	11,700	17,040	228,470	205,984
Misc	1,500	0	58,029	7,887
Total	19,358	23,240	427,175	357,557

/1 Comparable Week, to-date figures may not total due to rounding.

Source: USDA/AMS Poultry Programs, Market News Branch in cooperation with Agriculture Canada, Poultry Development Division.

**LIVE POULTRY SLTRD UNDER INSPECTION W/E 11-Aug-01 (PRELIMINARY) U.S. FOWL SLAUGHTERED DOMESTICALLY**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,571	1,513	3,084
LAST WEEK	1,597	1,512	3,109
SAME WEEK YR AGO	1,964	1,749	3,713
TO-DATE/2001	56,441	43,898	100,339
TO-DATE/2000	62,585	45,921	108,506

**U.S. FOWL SLAUGHTERED IN CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	239	0	239
LAST WEEK	336	12	348
SAME WEEK YR AGO	352	31	383
TO-DATE/2001	14,493	219	14,712
TO-DATE/2000	15,538	381	15,919

SOURCE: AGRICULTURE CANADA, PLTRY DEVELOPMENT DIV.

**TOTAL U.S. FOWL SLAUGHTERED IN THE U.S. AND CANADA**

	LIGHT HENS	HEAVY HENS	TOTAL HENS
	THOUSANDS		
HEAD	1,810	1,513	3,323
LAST WEEK	1,933	1,524	3,457
SAME WEEK YR AGO	2,316	1,780	4,096
TO-DATE/2001	70,934	44,117	115,051
TO-DATE/2000	78,123	46,302	124,425

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

**CHICKEN** 17-AUG-2001  
 — PRICES — VOLUME —  
 (Cents per Pound)

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

— PRICES — VOLUME —  
 (Cents per Pound)

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	18.00-21.00	16.00-17.00	244,800	-
WTD AVERAGE	19.50	16.50		
15-20%				
RANGE	15.50-20.00	14.50-17.50	2,210,800	408,000
WTD AVERAGE	17.75	16.32		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**CHICKEN** 17-AUG-2001  
 — PRICES — VOLUME —  
 (Cents per Pound)

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	-	-	-	-
WTD AVERAGE				

**CHICKEN, WITH SKIN ADDED**

— PRICES — VOLUME —  
 (Cents per Pound)

FAT	FROZEN	FRESH	TOTAL	EXPORT
CONTENT				
15% OR LESS				
RANGE	17.75-20.00	17.00-20.00	1,086,000	266,000
WTD AVERAGE	18.41	18.07		
15-20%				
RANGE	17.00-19.50	15.00-19.00	1,637,240	796,000
WTD AVERAGE	18.38	16.25		
20% OR MORE				
RANGE	20.00	-	16,000	-
WTD AVERAGE	20.00			

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT**, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 17 AUGUST 2001.

Seller sentiment was steady to fully steady on fresh tom breast meat, yet, some buyers have no problems filling needs resulting in a mostly steady buyer sentiment. The undertone was mixed on frozen tom breast meat with some processors noting buyer bids at lower trending price levels. Fresh tom breast meat demand was moderate for the uneven offerings, frozen light. Trade sentiment was generally steady on fresh destrapped tenderloins and mixed on frozen. Destrapped tenderloin demand ranged slow to moderate with fresh the most active. Offerings of destrapped tenderloins ranged from light on fresh to mixed on frozen and being held with varying degrees of confidence. Trading centered on light volumes of fresh tom breast meat for domestic shipments and on tom drums for export.

**FRIDAY, AUGUST 17, 2001****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)	WEEKLY WTD AVG PRICE	WEEKLY VOLUME (000)
DRUMSTICKS, TOMS	29.00-31.00		30.14	280	30.27	440
WINGS FULL-CUT - TOMS	27.50		27.50	40	27.50	40
WINGS, V-TYPE, TOM		W	28.50	208	28.50	208
TAILS		W	29.00	160	29.00	160
MECHANICALLY SEPARATED 2/		R	15.37	496	15.37	496
THIGH MEAT - FROZEN	59.00		59.00	184	59.04	420

**THURSDAY, AUGUST 16, 2001****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		W	30.50	160
WINGS FULL-CUT - TOMS		R	28.00	40
WINGS, V-TYPE, TOM		W	28.50	208
TAILS		W	29.00	160
MECHANICALLY SEPARATED 2/	13.50-16.00		15.37	496
THIGH MEAT - FROZEN		W	58.50	40

**WEDNESDAY, AUGUST 15, 2001****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS	30.00-31.00		30.50	160
WINGS FULL-CUT - TOMS		R	28.00	40
WINGS, V-TYPE, TOM	28.00-29.00		28.50	208
TAILS	29.00		29.00	160
MECHANICALLY SEPARATED 2/		R	17.00	264
THIGH MEAT - FROZEN	58.50		58.50	40

**TUESDAY, AUGUST 14, 2001****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	30.00	40
WINGS FULL-CUT - TOMS		R	28.00	40
WINGS, V-TYPE, TOM				
TAILS		F	25.67	120
MECHANICALLY SEPARATED 2/		R	17.00	264
THIGH MEAT - FROZEN	59.50		59.50	156

**MONDAY, AUGUST 13, 2001****EXPORT TRADING**

	PRICE RANGE	L.S.T. CODE 1/	WTD AVG PRICE	VOLUME (000)
DRUMSTICKS, TOMS		R	30.00	40
WINGS FULL-CUT - TOMS		R	28.00	40
WINGS, V-TYPE, TOM		M	28.00	104
TAILS		F	25.67	120
MECHANICALLY SEPARATED 2/		R	17.00	264
THIGH MEAT - FROZEN	58.00		58.00	40

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY 2/

Product contains 15-20% fat with skin added.